



January 16, 2004

## SENATE BILL No. 262

DIGEST OF SB 262 (Updated January 14, 2004 6:40 pm - DI 71)

**Citations Affected:** IC 20-12; IC 23-13.

**Synopsis:** Tuition and fees for state universities. Provides that a state higher education institution may increase the tuition and mandatory fees for an undergraduate student by not more than 3% each year for four academic years (for four-year schools) or two academic years (for Ivy Tech and Vincennes) following the academic year in which the student first enrolls in the institution. Requires a state higher education institution to set tuition and mandatory fees for the following academic year and notify the budget committee of the rates set before December 1 of each year.

**Effective:** July 1, 2004.

**Kenley, Miller**

January 8, 2004, read first time and referred to Committee on Education and Career Development.

January 15, 2004, amended, reported favorably — Do Pass.

C  
o  
p  
y

SB 262—LS 6886/DI 71+



January 16, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

C  
o  
p  
y

## SENATE BILL No. 262

---

A BILL FOR AN ACT to amend the Indiana Code concerning education.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 20-12-23-2, AS AMENDED BY P.L.115-2002,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2004]: Sec. 2. (a) The board of trustees of the state university  
4 shall be nine (9) in number.  
5 (b) This subsection does not apply to the student trustee appointed  
6 under IC 20-12-24-3.5. Not more than:  
7 (1) one (1) of the trustees elected under IC 20-12-24-2; and  
8 (2) two (2) of the trustees appointed under IC 20-12-24-3;  
9 may reside in the same county.  
10 (c) The trustees and their successors shall be a body politic, with the  
11 style of "The Trustees of Indiana University"; in that name to sue and  
12 be sued; to elect one (1) of their number president; to elect a treasurer,  
13 secretary, and such other officers as they may deem necessary, to  
14 prescribe the duties and fix the compensation of such officers; to  
15 possess all the real and personal property of such university for its  
16 benefit; to take and hold, in their corporate name any real or personal  
17 property for the benefit of such institution; to expend the income of the

SB 262—LS 6886/DI 71+



1 university for its benefit; to declare vacant the seat of any trustee who  
 2 shall absent himself from two (2) successive meetings of the board, or  
 3 be guilty of any gross immorality or breach of the bylaws of the  
 4 institution; to elect a president, such professors and other officers for  
 5 such university as shall be necessary, and prescribe their duties and  
 6 salaries; to employ other persons as necessary; to establish programs  
 7 of fringe benefits and retirement benefits for the university's officers,  
 8 faculty, and other employees that may be supplemental to or in lieu of  
 9 state retirement programs established by statute for public employees;  
 10 to prescribe the course of study and discipline and, **subject to section**  
 11 **2.5 of this chapter, the price of tuition and fees** in such university; and  
 12 to make all bylaws necessary to carry into effect the powers hereby  
 13 conferred.

14 SECTION 2. IC 20-12-23-2.5 IS ADDED TO THE INDIANA  
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 16 [EFFECTIVE JULY 1, 2004]: **Sec. 2.5. (a) Beginning with the**  
 17 **2005-2006 academic year, in setting tuition rates and mandatory**  
 18 **fees (as defined by the commission for higher education) under**  
 19 **section 2 of this chapter, the board of trustees must provide that**  
 20 **the tuition and mandatory fees charged an undergraduate student**  
 21 **may be increased by not more than three percent (3%) each year**  
 22 **for the four (4) consecutive academic years following the academic**  
 23 **year in which the student first enrolls.**

24 (b) The board of trustees shall:

25 (1) set the tuition rates and mandatory fees for the university;  
 26 and

27 (2) notify the budget committee of the tuition rates and  
 28 mandatory fees;

29 for the following academic year before December 1 of each year.

30 SECTION 3. IC 20-12-36-4 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. From and after the  
 32 date of the location made as aforesaid, the corporate name of the  
 33 trustees of the Indiana Agricultural College shall be "The Trustees of  
 34 Purdue University"; and they shall take in charge, have, hold, possess  
 35 and manage, all and singular, the property and money comprehended  
 36 in said donations, as also the fund derived from the sale of the land  
 37 scrip donated under said act of Congress, and the increase thereof, and  
 38 all money or other property which may hereafter at any time be donated  
 39 to and for the use of said institution. They shall also have power to  
 40 organize said university in conformity with the purposes set forth in  
 41 said act of Congress, holding their meetings at such times and places  
 42 as they may agree on, a majority of their number constituting a quorum.

C  
o  
p  
y



They shall provide a seal; have power to elect all professors and teachers, removable at their pleasure; fix and regulate compensations, including programs of fringe benefits and retirement benefits that may be supplemental to or in lieu of state retirement programs established by statute for public employees; do all acts necessary and expedient to put and keep said university in operation; ~~and~~ make all bylaws, rules, and regulations required or proper to conduct and manage the same; **and, subject to section 4.5 of this chapter, set tuition and fees for students of the university.**

SECTION 4. IC 20-12-36-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 4.5. (a) Beginning with the 2005-2006 academic year, in setting tuition rates and mandatory fees (as defined by the commission for higher education) under section 4 of this chapter, the board of trustees must provide that the tuition and mandatory fees charged an undergraduate student may be increased by not more than three percent (3%) each year for the four (4) consecutive academic years following the academic year in which the student first enrolls.**

**(b) The board of trustees shall:**

- (1) set the tuition rates and mandatory fees for the university;**
- and**
- (2) notify the budget committee of the tuition rates and mandatory fees;**

**for the following academic year before December 1 of each year.**

SECTION 5. IC 20-12-56-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 5. (a) All powers, rights, privileges, duties, and obligations, statutory, contractual, or of whatever kind, conferred by law upon the State Teachers College board or Indiana State College board for the operation, maintenance, and financing of Indiana State University and its properties and facilities, or otherwise pertaining thereto, are hereby transferred and shall apply to the Indiana State University board of trustees created by this chapter and shall remain in full force and unchanged, notwithstanding the change of name of said college.**

**(b) All laws of a general nature referring to Indiana State Normal School, the board of trustees of Indiana State Normal School, Indiana State Teachers College, the State Teachers College Board, Indiana State College, the Indiana State College board, and to any public state normal school of the state apply to Indiana State University and the Indiana State University board of trustees with equal force and effect.**

**(c) Beginning with the 2005-2006 academic year, in setting**

C  
o  
p  
y



tuition rates and mandatory fees (as defined by the commission for higher education), the board of trustees must provide that the tuition and mandatory fees charged an undergraduate student may be increased by not more than three percent (3%) each year for the four (4) consecutive academic years following the academic year in which the student first enrolls.

(d) The board of trustees shall:

(1) set the tuition rates and mandatory fees for the university; and

(2) notify the budget committee of the tuition rates and mandatory fees;

for the following academic year before December 1 of each year.

SECTION 6. IC 20-12-57.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. ~~(Board: Body Corporate; Powers)~~ (a) The board of trustees shall constitute a perpetual body corporate with power to do the following:

~~(a)~~ (1) Manage, control and operate Ball State University.

~~(b)~~ (2) Sue and be sued.

~~(c)~~ (3) Let contracts.

~~(d)~~ (4) Borrow money and issue bonds as authorized by the Indiana General Assembly.

~~(e)~~ (5) Prescribe conditions for admission.

~~(f)~~ (6) Grant degrees and issue diplomas or certificates.

~~(g)~~ (7) Fix laboratory, contingent and other fees and charges.

~~(h)~~ (8) Set fines and penalties.

~~(i)~~ (9) Define the duties and provide compensation for faculty and staff of the university including authority to establish fringe benefit programs including retirement benefits which may be supplemental to, or in lieu of, state retirement programs for teachers or other public employees as authorized by law.

~~(j)~~ (10) Receive and administer all donations, bequests, grants, funds and property which are given to or provided for the university.

~~(k)~~ (11) Promulgate rules and regulations pursuant to this chapter.

~~(l)~~ (12) Exercise all powers, rights, privileges and duties conferred upon the board by other laws of the General Assembly. and

~~(m) to possess~~ The board of trustees possesses all other power in order to efficiently operate the affairs of Ball State University.

(b) Beginning with the 2005-2006 academic year, in setting tuition rates and mandatory fees (as defined by the commission for higher education), the board of trustees must provide that the tuition and mandatory fees charged an undergraduate student may

C  
o  
p  
y



be increased by not more than three percent (3%) each year for the four (4) consecutive academic years following the academic year in which the student first enrolls.

(c) The board of trustees shall:

(1) set the tuition rates and mandatory fees for the university; and

(2) notify the budget committee of the tuition rates and mandatory fees;

for the following academic year before December 1 of each year.

SECTION 7. IC 20-12-61-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 13. (a) In addition to the duties described in section 9 of this chapter, the state board may do the following:

(1) Hold, encumber, control, acquire by donation or purchase, construct, own, lease, use, and sell real and personal property as is necessary for the conduct of its program of operation, on whatever terms and for whatever consideration may be appropriate.

(2) Accept gifts, grants, bequests, and devises absolutely and in trust for support of the college or its programs.

(3) Develop and adopt the appropriate programs to be offered.

(4) Develop a statewide salary structure and classification system, including provisions for employee group insurance, employee benefits, and personnel policies.

(5) Employ the chief administrator of a regional institute.

(6) Authorize the chief administrator of a regional institute to employ the necessary personnel for the regional institute, determine their qualifications, and fix their compensation in accordance with statewide policies established under subdivision (4).

(7) Grant appropriate certificates of achievement and associate degrees to students who complete prescribed and authorized courses or series of courses.

(8) Prescribe rules for the effective operation of a statewide program and exercise other powers that are necessary for the efficient management of the program.

(9) **Subject to subsection (d)**, establish a schedule of fees or charges for students and provide scholarships and remission of fees in proper cases.

(10) Authorize, approve, enter into, ratify, or confirm any agreement relating to a statewide program or a regional institute with the United States government, acting through any agency of the government designated or created to aid in the financing of

C  
o  
p  
y



such projects, or with any person, organization, or agency offering contracts or grants-in-aid financing the educational facilities or the operation of the facilities and programs.

(11) Establish written policies for the investment of the funds of Ivy Tech in the manner provided by IC 30-4-3-3.

(b) Before taking any action under subsection (a)(1), (a)(3), (a)(5), or (a)(8) that would substantially affect a regional institute, the state board shall request recommendations concerning the proposed action from the regional board for that region.

(c) Upon request of a regional board that has submitted recommendations under subsection (b) or section 12(a)(7) of this chapter, the state board shall conduct public hearings concerning the recommendations at a regular or special meeting of the state board.

**(d) Beginning with the 2005-2006 academic year, in setting tuition rates and mandatory fees (as defined by the commission for higher education), the state board must provide that the tuition and mandatory fees charged a student may be increased by not more than three percent (3%) each year for the two (2) consecutive academic years following the academic year in which the student first enrolls.**

**(e) The state board shall:**

- (1) set the tuition rates and mandatory fees for the college; and**
- (2) notify the budget committee of the tuition rates and mandatory fees;**

**for the following academic year before December 1 of each year.**

SECTION 8. IC 20-12-64-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. **(a)** The university may do the following:

- (1) Sue and be sued.
- (2) Let contracts.
- (3) Enter into cooperative agreements with other educational institutions, including agreements leading to the use of the university as a host site for an educational program administered by another college or university.
- (4) Prescribe conditions for admission.
- (5) Grant degrees and issue diplomas or certificates signifying that a course of postsecondary study has been completed or a degree has been conferred.
- (6) Fix laboratory, contingent, and other fees and charges.
- (7) Set fines and other sanctions for noncompliance with a university contract or rule.
- (8) Employ a faculty and staff for the university, define the duties

C  
o  
p  
y



of the faculty and staff, and provide compensation for the faculty and staff, including a program of fringe benefits and a program of retirement benefits that may supplement or supersede the state retirement programs established by statute for teachers or other public employees.

(9) Receive, administer, and dispose of all donations, bequests, grants, funds, and other property that may be given to the university or otherwise acquired by the university.

(10) Engage in research or public service that furthers an educational purpose.

(11) Exercise all powers, rights, privileges, and duties conferred upon the university or the board by any statute enacted by the general assembly.

(12) Adopt rules to carry out this chapter.

(13) Exercise all other powers necessary to conduct efficiently the affairs of the university.

**(b) Beginning with the 2005-2006 academic year, in setting tuition rates and mandatory fees (as defined by the commission for higher education), the university must provide that the tuition and mandatory fees charged an undergraduate student may be increased by not more than three percent (3%) each year for the four (4) consecutive academic years following the academic year in which the student first enrolls.**

**(c) The university shall:**

**(1) set the tuition rates and mandatory fees for the university; and**

**(2) notify the budget committee of the tuition rates and mandatory fees;**

**for the following academic year before December 1 of each year.**

SECTION 9. IC 23-13-18-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. **(a)** It shall be the duty of the said trustees, and they are hereby authorized and required as soon as may be, to:

(1) erect, purchase or hire, as they may deem most expedient, for carrying the said university into effect, suitable buildings for the said university;

(2) make ordinances for the government and discipline thereof;

(3) establish plans of education, which plans shall embrace each and every of the languages, sciences and branches of learning directed to be taught in the said university;

(4) regulate the admission of students and pupils into the same;

(5) elect and appoint persons of suitable learning and talents to be

C  
o  
p  
y





1 president and professors of the said university and agree with them  
2 for their salaries and emoluments;

3 (6) visit and inspect the said university;

4 (7) examine into the state of education and discipline therein;

5 (8) make a yearly report thereof to the legislature; and

6 (9) generally to do all lawful matters and things whatsoever,  
7 necessary for the maintaining and supporting the institution and for  
8 the more extensive communication of useful knowledge.

9 **(b) Beginning with the 2005-2006 academic year, in setting**  
10 **tuition rates and mandatory fees (as defined by the commission for**  
11 **higher education), the trustees must provide that the tuition and**  
12 **mandatory fees charged a student may be increased by not more**  
13 **than three percent (3%) each year for the two (2) consecutive**  
14 **academic years following the academic year in which the student**  
15 **first enrolls.**

16 **(c) The board of trustees shall:**

17 **(1) set the tuition rates and mandatory fees for the university;**  
18 **and**

19 **(2) notify the budget committee of the tuition rates and**  
20 **mandatory fees;**

21 **for the following academic year before December 1 of each year.**

C  
o  
p  
y



SENATE MOTION

Madam President: I move that Senator Miller be added as second author of Senate Bill 262.

KENLEY

**C  
o  
p  
y**



## COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 262, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 11, after "tuition" insert "**and fees**".

Page 2, line 16, after "rates" insert "**and mandatory fees (as defined by the commission for higher education)**".

Page 2, line 17, after "tuition" insert "**and mandatory fees**".

Page 2, line 23, after "rates" insert "**and mandatory fees**".

Page 2, line 24, delete "rates;" and insert "**rates and mandatory fees;**".

Page 3, line 4, after "tuition" insert "**and fees**".

Page 3, line 9, after "rates" insert "**and mandatory fees (as defined by the commission for higher education)**".

Page 3, line 10, after "tuition" insert "**and mandatory fees**".

Page 3, line 16, after "rates" insert "**and mandatory fees**".

Page 3, line 17, delete "rates;" and insert "**rates and mandatory fees;**".

Page 3, line 36, delete "rates," and insert "**rates and mandatory fees (as defined by the commission for higher education),**".

Page 3, line 36, after "the tuition" insert "**and mandatory fees**".

Page 3, line 42, after "rates" insert "**and mandatory fees**".

Page 4, line 1, delete "rates;" and insert "**rates and mandatory fees;**".

Page 4, line 30, delete "rates," and insert "**rates and mandatory fees (as defined by the commission for higher education),**".

Page 4, line 30, after "the tuition" insert "**and mandatory fees**".

Page 4, line 36, after "rates" insert "**and mandatory fees**".

Page 4, line 37, delete "rates;" and insert "**rates and mandatory fees;**".

Page 6, line 2, delete "rates," and insert "**rates and mandatory fees (as defined by the commission for higher education),**".

Page 6, line 2, after "the tuition" insert "**and mandatory fees**".

Page 6, line 7, after "rates" insert "**and mandatory fees**".

Page 6, line 8, delete "rates;" and insert "**rates and mandatory fees;**".

Page 7, line 2, delete "rates," and insert "**rates and mandatory fees (as defined by the commission for higher education),**".

Page 7, line 2, after "the tuition" insert "**and mandatory fees**".

C  
o  
p  
y



Page 7, line 8, after "rates" insert "**and mandatory fees**".

Page 7, line 9, delete "rates;" and insert "**rates and mandatory fees;**".

Page 7, line 33, delete "rates," and insert "**rates and mandatory fees (as defined by the commission for higher education),**".

Page 7, line 33, after "the tuition" insert "**and mandatory fees**".

Page 7, line 38, after "rates" insert "**and mandatory fees**".

Page 7, line 39, delete "rates;" and insert "**rates and mandatory fees;**".

and when so amended that said bill do pass.

(Reference is to SB 262 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 6, Nays 4.

C  
o  
p  
y

